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C O N F I D E N T I A L SECTION 01 OF 04 NEW DELHI 004756

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TAGS: [PREL](#) [PGOV](#) [PINR](#) [PTER](#) [PK](#) [IN](#)
SUBJECT: NEW DELHI NERVOUSLY WATCHING DEVELOPMENTS IN
PAKISTAN AS DIALOGUE PROCESS CONTINUES

REF: A. A: ISLAMABAD 01466
[1](#)B. B: NEW DELHI 04654

Classified By: ACTING POLCOUNS Atul Keshap for reasons 1.4 (b,d)

[1](#)1. (C) SUMMARY: India-Pakistan relations continue to exude positive vibrations, but officials in New Delhi are closely watching developments in Pakistan for storm clouds on the diplomatic horizon. The Composite Dialogue process continues unabated despite distractions at the political level in both capitals. Although few new deliverables came out of the mid-October talks, new measures included Pakistan's proposal to ban the use of outer space for military purposes and establish an anti-ballistic missile zone over the subcontinent. Directly after these meetings, a spokesman from Pakistan's Ministry of Foreign Affairs proclaimed that bilateral relations "have never been so good," a description that Indian interlocutors did not refute. Nonetheless, New Delhi's chattering class have warned that growing instability in Pakistan poses a significant threat to Indian interests and could derail the growing detente and dialogue process. Some here characterize Benazir as Pakistan's Mayawati -- mercurial and untrustworthy. Above all else Indian officials want stability in Pakistan and will work with any leader in Islamabad -- no matter the democratic credentials -- who can provide stability while fending off the Islamist threat. Although the window of opportunity for any serious diplomatic breakthrough in India-Pakistan relations appears for now to be closed due to political uncertainty in Delhi and Islamabad, there is enough bureaucratic architecture between the two countries to insulate the process from routine political instability. End Summary.

Composite Dialogue: All Hat, No Cattle

[1](#)2. (C) As part of their commitment to sustaining the Composite Dialogue (CD) process, Indian and Pakistani diplomats from the respective sides' home, defense, and foreign ministries held a series of meetings in New Delhi this past week that addressed confidence building measures, counterterrorism cooperation, and criminal investigation procedures. Bilateral talks on conventional and nuclear

confidence building measures (CBM) -- as outlined in the Lahore Memorandum of Understanding of 1999 (ref A) -- took place at the Joint-Secretary level on October 18 and 19 respectively, following up on a third round of similar talks in Islamabad last April. On October 22 the two sides met to discuss counterterrorism issues as part of the Joint Anti-Terrorism Mechanism (JATM) established by Prime Minister Manmohan Singh and President Musharraf in 2006, marking the second round of such talks. On October 24 and 25, the home secretaries and home ministers from both sides will meet in

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New Delhi as part of the South Asian Association for Regional Development (SAARC) home ministerial, which is scheduled to discuss regional law enforcement and crime investigation issues.

13. (C) The various bilateral meetings appeared to be high on talk but low on action, underscoring the slow-yet-deliberate pace of CD talks. Indian Ministry of External Affairs (MEA) Deputy Secretary for Pakistan G. Balasubramanian told Poloffs on October 24 that the only new conventional CBM that emerged from the October 18 meeting was an agreement by both sides to prevent new construction of facilities within 500 meters of the border. Despite pre-meeting expectations among some Indian pundits, he relayed that there was no forward movement on the signing of a formal agreement on processing citizens from either side who inadvertently stray across the border or on maritime rules of engagement. Talk without serious action also marked the nuclear CBM round of negotiations. Balasubramanian relayed that many issues were discussed -- including a moratorium on testing and a reiteration by India of its no first-use nuclear policy -- but the only deliverable from

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this round of talks was the usual exchange of the geographic coordinates for either side's nuclear facilities. In JATM talks, the Indians reiterated their request for Pakistan to provide results of its investigation into various terrorist attacks in India, including the Mumbai train bombings in July 2006 and the Friendship Express bombing last February. Balasubramanian mentioned that the Indian delegation had presented the Pakistanis detailed dossiers on suspected terrorists.

Pakistanis Privately Frustrated by Lack of Results

14. (C) Pakistani officials privately were less sanguine in their read-out of the meetings. Janbaz Khan of the Pakistani High Commission in New Delhi told Poloffs on October 24 that, while the talks were positive, many in the Pakistani delegation are becoming increasingly frustrated by the perceived Indian reluctance to provide deliverables and resultant lack of substantive progress after several rounds of talks. He believed that the Indians were not demonstrating the same degree of flexibility on issues as Pakistan and placed much of the blame on the lumbering Indian bureaucracy, its innate distrust of Pakistan, and the general Indian fear of taking chances. He stated that Pakistan believes that there are a few issues -- including Sir Creek and the Siachen Glacier standoff -- on which New Delhi could move forward. On the Sir Creek issue, for example, he claimed that a final agreement "should have been signed by now" but that New Delhi has not provided "the final political push" to see it to fruition. Further dialogue should be tied to results rather than just empty discussion, and there is no better time than the present -- when Musharraf is still in power and can produce results -- he complained.

Process Becomes the Deliverable

15. (C) Despite Pakistani frustration and the lack of any major breakthrough in talks so far, both sides were quick to

emphasize the positive nature of the talks and to reaffirm their commitment to future meetings no matter the level of political instability in India or Pakistan. The joint statement released by both sides following the meetings proclaimed that talks were held in a cordial and constructive atmosphere and promised future meetings on yet-unspecified dates. Balasubramanian described the talks as "very open, free, and friendly," while Janbaz Khan reported that the talks' atmosphere was relaxed and friendly and that "the process has progressed further than either side could have predicted." Balasubramanian expressed little concern about the lack of substantive progress in the various meetings, stating that there indeed had been incremental progress and that in the case of the JATM, the initiative is still in its formative stages, meaning little can be expected of it so early in its establishment. Pakistani Ministry of Foreign Affairs spokesman Mohammed Sadiq on October 23 told reporters that the bilateral relationship was very complex and that officials "should not expect results overnight." Khan emphasized that there has been considerable progress behind-the-scenes, especially in nuclear CBM talks. He stated that in nuclear talks the two sides have reached a stage where they are ready to introduce a new phase of CBM ideas. In that vein, he relayed that the Pakistani delegation proposed CBMs banning the use of outer space for military purposes and an anti-ballistic missile zone over the subcontinent, suggestions that he said the Indians dismissed.

16. (C) Neither side predicts a breakdown or stall in the dialogue process. Both Balasubramanian and Khan told Poloffs that the process will continue no matter what occurs at the political level in Islamabad or New Delhi. Balasubramanian was quick to point out that entire fourth round of talks took place despite the political instability surrounding the stand off between Musharraf and the Supreme Court, the Presidential

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election in Pakistan, or Benazir Bhutto's return to Pakistan.

V.K. Grover, a former MEA diplomat with ties to the current government, in a conversation with D/PolCouns on October 22, echoed the prediction that the two countries' bureaucracies would continue to talk but cautioned not to expect any true progress until developments in Pakistan work themselves out. Saeed Naqvi, a political commentator, reached the same conclusion in a discussion with D/PolCouns on October 23 but followed a different rationale, stating that there was unlikely to be any forward movement in the dialogue process because the United Progressive Alliance (UPA) government lacks a comprehensive vision for the peace process and because India is quickly entering election season (ref B), which will distract the government and prevent it from any potentially provocative initiatives.

A Widening Detente

17. (C) The greater India-Pakistan relationship -- beyond the minutiae of CBM and counterterrorism issues -- continues to enjoy a detente. The Pakistani Ministry of Foreign Affairs proclaimed on October 23 that bilateral relations "have never been so good," an assertion that Janbaz Khan privately seconded. Balasubramanian similarly agreed, stating that there have been "positive movements on every front," producing "a great amount of confidence." He cited as an example the October 1 opening of the border for truck deliveries for the first time sine Partition, which he said represented a "quantum leap in trade" even though the change of procedure was minor.

Indians Wary of Events in Pakistan

18. (C) Despite all the fanfare and bonhomie professed by both sides' officials following this past week's meetings, many Indian observers are expressing concern about developments in Pakistan, its long-term stability, and the

potential consequences of an unstable Pakistan for India. Indian interlocutors underscored India's desire to see stability on its Western border and willingness to work with any Pakistani leader who could provide it. Balasubramanian professed that although it is up to Pakistan to determine its leader, New Delhi prefers a democratically elected leader but more importantly wants someone who can ensure stability and continue the bilateral dialogue. He admitted that the situation in Pakistan was "touch and go," that he was hopeful it would resolve itself peacefully, and that New Delhi has refrained from publicly commenting on Pakistan's internal situation -- a stance for which the visiting Pakistani delegation reportedly expressed its appreciation. On the issue of Benazir Bhutto's return to Pakistan, he simply said that his government welcomes her return.

Indians Worried as Pakistan's Mayawati Returns

¶9. (C) Other Indian interlocutors, however, were not as diplomatic. Grover and Naqvi expressed great concern about the future of Pakistan and the potential return of Bhutto as a key Pakistani interlocutor. Grover argued that President Musharraf -- whom India has come to see as a positive force for bilateral relations -- has become a liability for Pakistan's Army and worried about how long the President can count on the Army's support. A Pakistan consumed by political turmoil, he cautioned, will play into the hands of the Islamists -- a scenario as equally bad for India as the United States. He blasted Bhutto as an unreliable, opportunistic leader, calling her Pakistan's version of Mayawati, the current Chief Minister of Uttar Pradesh who has become notorious for repeatedly abandoning her political promises in her constant search for the political advantage. He admitted that recently she has been making "the right noises" about India but stated that history reveals her to be

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one of India's biggest foes in Pakistan.

¶10. (C) Naqvi similarly described the general distrust that many Indians have of Bhutto, stating that she is not a "benign presence." He expressed concern about the instability that probably would result from having a bifurcated leadership in Islamabad between two former political rivals and argued that such a political condominium would slow Islamabad's ability to engage in the composite dialogue. The pundits differed on views of the effect a return by Nawaz Sharif to Pakistani politics would have on bilateral relations. Grover believed that a Musharraf-Bhutto alliance would still be better than an agreement between Musharraf and Sharif, but Naqvi argued that Sharif -- who engaged in peace negotiations in 1999 before Kargil -- enjoyed more political respect in New Delhi than Bhutto. Nevertheless, both agreed that New Delhi would settle for any leader who could provide stability and fend off the Islamist threat; in the meantime, India is in "wait-and-see mode" until the situation plays itself out.

Comment: Missed Opportunities

¶11. (C) Although the window of opportunity for any serious diplomatic breakthrough in the Composite Dialogue process has narrowed, a continuation of negotiations -- no matter how empty the discussion -- serves as a welcome and positive placeholder until a more conducive environment develops and both sides demonstrate the political will to move the process forward. The confidence expressed on both sides that the process will continue, New Delhi's willingness to resist the urge to comment on or meddle publicly in Pakistan's current political transition, and Islamabad's decision to swallow its frustrations and continue to participate in the process are all a testament to the growing maturity that characterizes the relationship. Current bonhomie aside, many potential landmines lay ahead -- chief among them the return of exiled

personalities in Pakistan. It is troubling that even after years of talks during times of relative political stability in both countries, much of the low hanging fruit for CBMs has not yet been plucked. Both sides may look back on the 2003-2006 timeframe as a period of missed opportunities.

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